



City of Muscatine

ITEM NUMBER 2023-0138

AGENDA ITEM SUMMARY

DATE: 4/6/2023

STAFF

Nancy Lueck, Finance Director

SUBJECT

Resolution Approving the Maximum Property Tax Dollars for Certain Tax Levies for the City's Fiscal Year 2023/2024 Budget

EXECUTIVE SUMMARY

All cities in Iowa are required by the State to pass a resolution establishing their maximum property tax dollars for certain levies prior to adoption and certification of the final budget. The City Council recently completed their review of the proposed City budget for the upcoming year. The proposed total property tax levy rate for the 2023/2024 budget is \$15.67219 per \$1,000 of valuation, which is 1.87% less than the total tax rate for the current year (2022/2023). With the 8.36% increase in taxable valuations, total property tax revenue for the City will increase by \$1,009,751, which is a 6.65% increase in property tax dollars.

Per State requirements, the Notice of Public Hearing for the 1st public hearing on the budget only includes the General, Transit, Tort Liability/Insurance, Emergency, and Employee Benefits levies. The tax dollars from those levies total \$13,934,443 compared to \$12,992,776 for those levies for the current fiscal year 2022/2023 budget. This is a \$941,667 (7.25%) increase in tax dollars when considering only the levies in the public notice.

At the March 16, 2023 meeting, City Council set a public hearing on the maximum tax levy dollars for certain levies for April 6, 2023. The public hearing notice was published on March 18, 2023. After the public hearing on April 6, the City Council will consider the Resolution Approving the Maximum Property Tax Dollars for Certain Tax Levies for the City's Fiscal Year 2023/2024 Budget.

STAFF RECOMMENDATION

Staff recommends approval of the Resolution Approving the Maximum Property Tax Dollars for Certain Tax Levies for the City's Fiscal Year 2023/2024 Budget

BACKGROUND/DISCUSSION

Senate File 634 passed in 2019 requires all cities to pass a resolution establishing their maximum property tax dollars for certain levies prior to adoption and certification of the final budget. For the City of Muscatine for the upcoming year, the tax levies required to be included in the public hearing notice are the General, Transit, Tort Liability/Insurance, Emergency, and Employee Benefits levies. The Debt Service levy and Ag Land levies are not included in the notice of public hearing for Hearing #1.

The City Council recently completed their review of the proposed City budget for the upcoming year. The proposed total property tax levy rate for the 2023/2024 budget is \$15.67219 per \$1,000 of valuation, which is 1.87% less than the total tax rate for the current fiscal year (2022/2023). With the 8.36% increase in taxable valuations, total property tax revenue for the City will increase by \$1,009,751, which is a 6.65% increase in property tax dollars.

Per Senate File 634, the Notice of Public Hearing for the 1st public hearing on the budget only includes the General, Transit, Tort Liability/Insurance, Emergency, and Employee Benefits levies. The tax dollars from those levies total \$13,934,443 compared to \$12,992,776 for those levies for the current fiscal year 2022/2023 budget. This is a \$941,667 (7.25%) increase in tax dollars when considering only the levies in the public notice.

The increase in tax dollars levied is due to increases in personal services and operating budget costs to continue to provide the same level of services to residents.

The public hearing on the Proposed Property Tax Levy for 2023/2024 will set the maximum tax revenues for the specific tax levies included in the Hearing Notice. The following actions will need to be taken before the Fiscal Year 2023/2024 Budget is adopted:

	March 16, 2023	Set Public Hearing #1 on the Proposed Property Tax Levy
	April 6, 2023	Hold Public Hearing #1 on the Proposed Property Tax Levy
	April 6, 2023	Adopt the Resolution Approving the Maximum Property Tax
Levy		
	April 6, 2023	Set the Public Hearing for the Adoption of the Budget and
Certification		of Taxes for Fiscal Year 2023/2024
	April 6, 2023	Set Public Hearing on Amendment #1 to the 2022/2023 City
Budget		
	April 20, 2023	Hold Hearing #2 on the Proposed Budget
	April 20, 2023	Hold Public Hearing on Amendment #1 to the 2022/2023
City Budget		
	April 20, 2023	Approve Resolution for the Adoption of the 2023/2024
Budget and		
		Certification of Taxes
	April 20, 2023	Approve Resolution for Amendment #1 to the 2022/2023
City Budget		

CITY FINANCIAL IMPACT

The proposed property tax rate and tax dollars generated will continue to fund the current services provided to the City's residents.

ATTACHMENTS

1. City Maximum Levy Adoption Resolution.4-6-23

**RESOLUTION 2023-0138
APPROVING MAXIMUM PROPERTY TAX DOLLARS
FOR CERTAIN PROPERTY TAX LEVIES FOR THE CITY OF MUSCATINE
FOR FISCAL YEAR 2023/2024**

WHEREAS, Senate File 634 passed in 2019 requires all cities to pass a resolution establishing their maximum property tax dollars for certain levies prior to adoption and certification of the final budget; and

WHEREAS, Senate File 634 provides that the tax levies to be included in the public hearing notice for the City of Muscatine are the General, Transit, Tort Liability/Insurance, Emergency, and Employee Benefits levies and that the Debt Service levy and Ag Land levies are not included in the notice of public hearing and this Resolution; and

WHEREAS, the City Council of the City of Muscatine has considered the proposed FY 2023/2024 city maximum property tax dollars for the affected levy total; and

WHEREAS, a notice concerning the proposed city maximum property tax dollars for these levies was published as required on March 18, 2023 and posted on the City's web site and social media sites;

WHEREAS, a public hearing concerning the proposed city maximum property tax dollars for these levies was held on April 6, 2023;

NOW THEREFORE BE IT RESOLVED by the City Council of the City of Muscatine that the maximum property tax dollars for the affected tax levies for FY 2023/2024 shall not exceed the following total:

Total maximum levy for affected property tax levies is \$13,934,443

The Maximum Property Tax dollars requested in the total maximum levy for affected property tax levies for FY 2023/2024 represents greater than 102% (107.25%) of the Maximum Property Tax dollars requested for the current FY 2022/2023.

PASSED, APPROVED AND ADOPTED this 6th day of April, 2023.

**BY THE CITY COUNCIL OF THE CITY
OF MUSCATINE, IOWA**



Brad Bark, Mayor

ATTEST:



Carol Webb (Apr 11, 2023 15:09 CDT)

Carol Webb, City Clerk



Roll Call Vote (Aye or Nay):

Councilmember Froelich - Aye
Councilmember Osborne - Aye
Councilmember Gordon - Aye

Councilmember Jindrich - Aye Councilmember Brockert - Aye
Councilmember Lewis - Aye
Councilmember Hopkins - Aye